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AN ACT  
RELATING TO CREDIT UNIONS; CLARIFYING PROVISIONS FOR  
OUT-OF-STATE CREDIT UNIONS TO CONDUCT BUSINESS IN NEW MEXICO;  
MODIFYING LOAN POLICIES; AMENDING, REPEALING AND ENACTING  
SECTIONS OF THE CREDIT UNION ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 58-11-2 NMSA 1978 (being Laws 1987,  
Chapter 311, Section 2, as amended) is amended to read:

"58-11-2. DEFINITIONS. -- As used in the Credit Union  
Act:

A. "board member" means a member of the board of  
directors of a credit union;

B. "capital" means share accounts, membership  
shares, reserves and undivided earnings;

C. "credit union" means a cooperative, nonprofit,  
financial institution organized under or subject to the  
Credit Union Act for the purposes of encouraging thrift among  
its members, creating a source of credit at fair and  
reasonable rates of interest and providing an opportunity for  
its members to use and control their own money on a  
democratic basis in order to improve their economic and  
social condition;

D. "deposit account" means a balance held by a  
credit union and established by a person in accordance with

1 standards specified by the credit union, including balances  
2 designated as deposits, deposit certificates, checking  
3 accounts or other names. Ownership of a deposit account does  
4 not confer membership or voting rights and does not represent  
5 an interest in the capital of the credit union upon  
6 dissolution or conversion to another type of institution;

7 E. "director" means the director of the financial  
8 institutions division of the regulation and licensing  
9 department;

10 F. "division" means the financial institutions  
11 division of the regulation and licensing department;

12 G. "executive officer" means any person who is  
13 responsible for the management of the credit union as  
14 provided in the bylaws of the credit union and includes the  
15 chief executive officer, the president, a vice president, the  
16 credit union manager, an assistant manager or a person who is  
17 assigned and performs the management duties appropriate to  
18 those offices;

19 H. "governmental unit" means any board, agency,  
20 department, authority, instrumentality or other unit or  
21 organization of the United States, this state or any  
22 political subdivision thereof;

23 I. "immediate family" means those persons related  
24 by blood or marriage as well as stepchildren, foster children  
25 and adopted children or persons who live in the same

1 residence and maintain a single economic unit;

2 J. "insolvent" means the condition that results  
3 when the cash value of assets is less than the liabilities  
4 and members' share and deposit accounts;

5 K. "insuring organization" means the national  
6 credit union administration or any other insurer that has  
7 been approved by the director to provide aid and financial  
8 assistance to credit unions that are in the process of  
9 liquidation or are incurring financial difficulty, in order  
10 that the share and deposit accounts in credit unions shall be  
11 protected or guaranteed against loss without limit or up to a  
12 specified level for each account;

13 L. "membership share" means a balance held by a  
14 credit union and established by a member in accordance with  
15 standards specified by the credit union. Ownership of a  
16 membership share represents an interest in the capital of the  
17 credit union upon dissolution or conversion to another type  
18 of institution;

19 M. "organization" means any corporation,  
20 association, partnership, society, firm, syndicate, trust or  
21 other legal entity;

22 N. "person" means any individual, organization or  
23 governmental unit;

24 O. "primary share account" means a share account  
25 that a credit union's bylaws designate as conferring voting

1 rights;

2 P. "risk assets" means all assets of the credit  
3 union except those exempted by the director by regulation;

4 Q. "service facility" means any building, machine  
5 or device, whether mechanical, electronic or otherwise, that  
6 is operated or maintained, in whole or in part, to provide  
7 services to members; and

8 R. "share account" means a balance held by a  
9 credit union and established by a member in accordance with  
10 standards specified by the credit union, including balances  
11 designated as shares, share certificates, share draft  
12 accounts or other similar names. Ownership of a share  
13 account confers membership and represents an interest in the  
14 capital of the credit union upon dissolution or conversion to  
15 another type of institution. "

16 Section 2. Section 58-11-6 NMSA 1978 (being Laws 1987,  
17 Chapter 311, Section 6) is amended to read:

18 "58-11-6. RECORDS. --

19 A. A credit union shall maintain all books,  
20 records, accounting systems and procedures in accordance with  
21 the rules, regulations and orders the director from time to  
22 time establishes or issues. In establishing and issuing such  
23 rules, regulations and orders, the director shall consider  
24 the relative size of a credit union and its reasonable  
25 capability of compliance.

1           B. A credit union is not liable for destroying  
2 records after the expiration of the record retention time  
3 prescribed by regulation, except for any records involved in  
4 an official investigation or examination about which the  
5 credit union has received notice.

6           C. A photostatic, photographic or xerographic  
7 reproduction of any credit union record or any credit union  
8 record retrieved in perceptible form from an electronic  
9 record maintained pursuant to the provisions of the Uniform  
10 Electronic Transactions Act shall be admissible as evidence  
11 of transaction with the credit union. "

12           Section 3. Section 58-11-7 NMSA 1978 (being Laws 1987,  
13 Chapter 311, Section 7, as amended) is amended to read:

14           "58-11-7. REPORTS. --

15           A. Credit unions shall report to the director  
16 quarterly on or before January 30, April 30, July 30 and  
17 October 30. Reports shall be on forms supplied by the  
18 director. The director may require additional reports.

19           B. A charge of twenty-five dollars (\$25.00) shall  
20 be levied for each day a credit union fails to provide a  
21 required report, unless that charge is by the director  
22 excused for cause. "

23           Section 4. Section 58-11-16 NMSA 1978 (being Laws 1987,  
24 Chapter 311, Section 16, as amended) is amended to read:

25           "58-11-16. OUT-OF-STATE CREDIT UNIONS--APPROVAL TO

1 CONDUCT BUSINESS-- DIRECTOR' S DUTIES AND POWERS. --

2 A. An out-of-state credit union organized pursuant  
3 to the laws of another state or territory of the United  
4 States may conduct business as a credit union in this state  
5 with the approval of the director.

6 B. Before granting approval for an out-of-state  
7 credit union to conduct business in New Mexico, the director  
8 shall determine that the out-of-state credit union:

9 (1) is organized pursuant to laws similar to  
10 those provided in the Credit Union Act;

11 (2) is financially solvent;

12 (3) is examined and supervised by a  
13 regulatory agency of the state or territory in which it is  
14 organized;

15 (4) meets share and deposit insurance  
16 requirements comparable to those provided in Section 58-11-48  
17 NMSA 1978; and

18 (5) establishes a need to conduct business  
19 in this state to adequately serve its members in this state.

20 C. The director may:

21 (1) revoke the approval granted to an out-  
22 of-state credit union to conduct business in New Mexico if  
23 the director determines that:

24 (a) the credit union no longer meets  
25 the requirements as provided in Subsection B of this section;

1 (b) the credit union has violated a law  
2 of this state or a rule issued by the director;

3 (c) the credit union has engaged in a  
4 pattern of unsafe or unsound credit union practices;

5 (d) permitting the credit union to  
6 continue to conduct business in New Mexico is likely to have  
7 a substantial adverse impact on financial, economic or other  
8 interests of the residents of the state; or

9 (e) the credit union is prohibited from  
10 conducting business in the state or territory in which it is  
11 organized;

12 (2) cooperate with credit union regulators  
13 in other states or territories and share with those  
14 regulators pertinent information received pursuant to the  
15 provisions of the Credit Union Act;

16 (3) adopt rules for the periodic examination  
17 and investigation of the affairs of an out-of-state credit  
18 union conducting business in New Mexico. The costs  
19 associated with the examination or investigation shall be  
20 borne by the out-of-state credit union that is the subject of  
21 the examination or investigation; or

22 (4) enter into agreements with the  
23 regulators of out-of-state credit unions to identify laws and  
24 rules applicable to branches of out-of-state credit unions  
25 conducting business in New Mexico, or enter into agreements

1 with credit union regulators in other states or territories  
2 to identify laws and rules applicable to credit unions  
3 organized in New Mexico pursuant to the Credit Union Act that  
4 are conducting business in out-of-state locations. The  
5 agreements provided for in this section may include, but are  
6 not limited to, agreements concerning corporate governance  
7 and operational matters, and the rules regarding the manner  
8 in which examination, supervision and application processes  
9 shall be coordinated with the regulators.

10 D. An out-of-state credit union conducting  
11 business in New Mexico shall:

12 (1) comply with the provisions of the Credit  
13 Union Act, rules issued pursuant to that act and all other  
14 applicable state laws; and

15 (2) designate and maintain an agent for  
16 service of process in New Mexico."

17 Section 5. Section 58-11-18 NMSA 1978 (being Laws 1987,  
18 Chapter 311, Section 18, as amended) is amended to read:

19 "58-11-18. POWERS OF CREDIT UNIONS.--In addition to the  
20 powers authorized elsewhere in the Credit Union Act, a credit  
21 union may:

- 22 A. enter into contracts of any nature;
- 23 B. sue and be sued;
- 24 C. adopt, use and display a corporate seal;
- 25 D. acquire, lease, hold, assign, pledge,

1 hypothecate, sell and discount or otherwise dispose of  
2 property or assets, either in whole or in part, necessary or  
3 incidental to its operations;

4 E. lend funds to members;

5 F. borrow from any source; provided that a credit  
6 union shall have prior approval of the director before  
7 borrowing in excess of an aggregate of fifty percent of its  
8 capital;

9 G. purchase the assets of another credit union,  
10 subject to the approval of the director;

11 H. offer various financial services approved by  
12 the director;

13 I. hold membership in other credit unions  
14 organized under the Credit Union Act, the Federal Credit  
15 Union Act or other acts and in associations and organizations  
16 controlled by or fostering the interests of credit unions,  
17 including a central liquidity facility organized under state  
18 or federal law;

19 J. engage in activities and programs as requested  
20 by any governmental unit;

21 K. act as fiscal agent and receive payments on  
22 deposit accounts from a governmental unit;

23 L. sell or offer to sell insurance to the same  
24 extent allowed by law to other state chartered lending  
25 institutions; and

1           M provide services to persons within the credit  
2 union's field of membership, including electronic funds  
3 transfers and the sale and negotiation of instruments,  
4 including money orders, traveler's checks and stored value  
5 cards. "

6           Section 6. Section 58-11-27 NMSA 1978 (being Laws 1987,  
7 Chapter 311, Section 27, as amended) is amended to read:

8           "58-11-27. DIRECTION OF AFFAIRS. --

9           A. A credit union shall be directed by a board of  
10 directors, consisting of an odd number of members, as  
11 provided in the bylaws, but not less than five in number, to  
12 be elected annually by and from the members. The election  
13 shall be held at the annual meeting or in such other manner  
14 as the bylaws provide. All members of the board shall hold  
15 office for such terms as the bylaws provide.

16           B. A supervisory committee shall consist of an odd  
17 number of members, as provided in the bylaws, but not less  
18 than three or more than seven in number. The bylaws shall  
19 specify the length of the terms of the committee members and  
20 whether membership of the supervisory committee shall be by  
21 annual election or appointment by the board of directors.

22           C. The board of directors may delegate any or all  
23 of its authority to extend credit, including the  
24 determination of interest rates, to one or more committees or  
25 an executive officer, provided such person is not a member of

1 the board. A committee may consist of one or more members. "

2 Section 7. Section 58-11-30 NMSA 1978 (being Laws 1987,  
3 Chapter 311, Section 30, as amended) is amended to read:

4 "58-11-30. COMPENSATION OF OFFICIALS. --No board or  
5 committee member may be compensated for services performed in  
6 the regular course of duties pertaining to that board or  
7 committee position. Notwithstanding any provision of the  
8 Credit Union Act to the contrary, board or committee members  
9 may be compensated for those services provided to the credit  
10 union while temporarily serving in an additional capacity  
11 other than as a board or committee member. Reasonable life,  
12 accident and similar insurance protection shall not be  
13 considered compensation to a board or committee member.  
14 Board and committee members may be reimbursed for reasonable  
15 and necessary expenses incidental to the performance of  
16 official business of the credit union, provided such expenses  
17 are documented. "

18 Section 8. Section 58-11-36 NMSA 1978 (being Laws 1987,  
19 Chapter 311, Section 36, as amended) is amended to read:

20 "58-11-36. DUTIES OF BOARD MEMBERS. --

21 A. The board of directors shall:

22 (1) act upon applications for membership or  
23 to appoint one or more membership officers to approve  
24 applications for membership under such conditions as the  
25 board prescribes. A record of the actions taken by a

1 membership officer shall be made available in writing to the  
2 board of directors for inspection. A person denied  
3 membership may appeal the denial to the board, and the person  
4 shall be informed of that right of appeal in writing by the  
5 credit union;

6 (2) authorize and require the purchase of  
7 adequate fidelity coverage as it determines to be necessary  
8 for the board members, committee members, executive officers  
9 or employees of the credit union, with documentation made  
10 available to the director about who is covered;

11 (3) authorize and determine from time to  
12 time the interest rates that shall be charged on extensions  
13 of credit to members and authorize any interest refunds on  
14 extensions of credit under the conditions the board  
15 prescribes; provided that the board may delegate that  
16 authority to the chief executive officer and a committee with  
17 the requirement that any exercise of that authority shall be  
18 reported to the board at the next monthly board meeting;

19 (4) establish written policies with respect  
20 to the terms and conditions for granting loans and the  
21 extension of credit, including the maximum amount that may be  
22 provided to any one member;

23 (5) declare dividends on share accounts and  
24 membership shares in the manner and form as provided in the  
25 bylaws, which dividends shall not exceed the credit union's

1 net earnings, including undivided earnings; provided that the  
2 board may delegate that authority, except with regard to an  
3 account that the credit union designates as a member's  
4 primary share account, to the chief executive officer and a  
5 committee, with the requirement that any exercise of that  
6 authority shall be reported to the board of directors at the  
7 next board meeting;

8 (6) have charge of the investment of funds,  
9 except that the board may designate an investment committee  
10 or investment officer under written investment policies  
11 established by the board;

12 (7) authorize the employment of persons to  
13 carry on the business of the credit union and establish the  
14 compensation of the executive officer;

15 (8) approve an annual operating budget for  
16 the credit union;

17 (9) authorize the conveyance of property;

18 (10) authorize the designation of  
19 depositories for the operating funds of the credit union;

20 (11) appoint any committees deemed  
21 necessary; and

22 (12) perform such other duties as the  
23 members from time to time direct and perform or authorize any  
24 action not inconsistent with the Credit Union Act and not  
25 specifically reserved by the bylaws to the members.

1           B. Any member of the supervisory committee or of  
2 any other committee established for the purposes of extending  
3 credit may be temporarily suspended or removed by the board  
4 of directors, by a two-thirds vote of the board of directors  
5 at a meeting in which a quorum is present, for failure to  
6 perform those duties in accordance with the Credit Union Act,  
7 the articles of organization or the bylaws and for no other  
8 reason. The suspension or removal of a supervisory committee  
9 member shall be acted upon by the members at a meeting to be  
10 held not less than seven or more than twenty-one days after  
11 such suspension or removal."

12           Section 9. Section 58-11-49 NMSA 1978 (being Laws 1987,  
13 Chapter 311, Section 49, as amended) is amended to read:

14           "58-11-49. LOAN POLICIES. --

15           A. A credit union may extend credit to members for  
16 such purposes and upon such conditions as the bylaws may  
17 provide.

18           B. The interest rates on extensions of credit  
19 shall be authorized and determined by the board of directors  
20 or any person or committee to which it has delegated that  
21 authority.

22           C. A credit union may assess charges to members,  
23 in accordance with the bylaws, for failure to meet their  
24 obligations to the credit union in a timely manner.

25           D. Except as provided in Subsection H of this

1 section, every application for an extension of credit and  
2 every approved extension of credit shall be made in writing  
3 or in such other manner as permitted or required by law in a  
4 standard format consistent with the extension of credit  
5 policies approved by the board of directors.

6 E. No loan shall be made to any member in an  
7 aggregate amount in excess of ten percent of the credit  
8 union's total assets as determined by the director.

9 F. Security, within the meaning of the Credit  
10 Union Act, may include, without limitation because of  
11 enumeration, the endorsement of a note by a surety or  
12 guarantor, assignment of an interest in real or personal  
13 property or any other collateral deemed acceptable by the  
14 board of directors. The types of security acceptable shall  
15 be determined by the written policies established by the  
16 board of directors pursuant to Section 58-11-36 NMSA 1978.

17 G. A member may receive an extension of credit in  
18 installments or in one sum and may pay the whole or any part  
19 on any day on which the office of the credit union is open  
20 for business.

21 H. Upon written application by a member, the board  
22 of directors or any person or committee to which it has  
23 delegated authority to extend credit may approve a  
24 self-replenishing line of credit, and advances may be granted  
25 to the member within the limit of such line of credit.

1 Whenever a line of credit has been approved, no additional  
2 credit application is required as long as the aggregate  
3 indebtedness does not exceed the approved limit; provided,  
4 however, each line of credit shall be reviewed in accordance  
5 with the credit union's policy governing extensions of  
6 credit.

7 I. A credit union may participate in extensions of  
8 credit to credit union members jointly with other credit  
9 unions or other financial organizations pursuant to written  
10 policies established by the board of directors.

11 J. A credit union may:

12 (1) participate in any guaranteed loan  
13 program of the federal government or of this state under the  
14 terms and conditions specified by the law under which such a  
15 program is provided; and

16 (2) purchase the conditional sales  
17 contracts, notes and similar instruments of its members.

18 K. A credit union may make an extension of credit  
19 to any of its executive officers, board members and members  
20 of its supervisory and other committees; provided that:

21 (1) the extension of credit complies with  
22 all lawful requirements under the Credit Union Act with  
23 respect to loans to other members, is not on terms more  
24 favorable than those extended to other borrowers and is in  
25 compliance with loan policies established by the board for

1 other borrowers;

2 (2) the following provisions have been met:

3 (a) the extension of credit is approved  
4 by the board of directors or any person or committee to which  
5 it has delegated authority to extend credit; and

6 (b) the applicant takes no part in the  
7 consideration of his application and does not attend any  
8 committee or board meeting while his application is under  
9 consideration; and

10 (3) if the aggregate extension of credit to  
11 the applicant, including the extension applied for and  
12 excluding share or deposit secured loans, exceeds the limits  
13 set for the total asset size of the credit union as provided  
14 in this paragraph, the extension of credit shall be submitted  
15 to the board of directors for approval. The board shall  
16 require, at a minimum, a completed loan application and a  
17 detailed current financial statement of the applicant;  
18 provided that submission to the board of directors of an  
19 application of an executive officer shall only be required  
20 for an applicant serving the credit union as chief executive  
21 officer, chief operating officer, chief financial officer or  
22 chief lending supervisor. The set limits for the total asset  
23 size of the credit union are as follows:

24	Credit Union Total Assets	Aggregate Credit Exceeding
25	less than \$5,000,000	\$20,000

1	\$5, 000, 000 - \$10, 000, 000	\$30, 000
2	\$10, 000, 001 - \$50, 000, 000	\$40, 000
3	\$50, 000, 001 or greater	\$50, 000.

4 L. A credit union may permit executive officers,  
5 board members and members of its committees to act as  
6 co-makers, guarantors or endorsers of extensions of credit to  
7 other members, subject to the requirements of Subsection K of  
8 this section. "

9 Section 10. Section 58-11-51 NMSA 1978 (being Laws  
10 1987, Chapter 311, Section 51, as amended) is amended to  
11 read:

12 "58-11-51. LIABILITY AND FIDELITY INSURANCE FOR  
13 OFFICIALS AND EMPLOYEES. --A credit union shall, unless  
14 otherwise specified by the director, purchase and maintain  
15 liability and fidelity insurance coverage on behalf of a  
16 person who is or was a board member, committee member,  
17 executive officer, employee or agent of the credit union or  
18 who is or was serving at the request of the credit union as a  
19 director, committee member, executive officer, employee or  
20 agent of another corporation, partnership, joint venture,  
21 trust or other enterprise against any liability asserted  
22 against that person and incurred by that person in any such  
23 capacity or arising out of that person's status whether or  
24 not the credit union would have the power to indemnify that  
25 person against such liability; provided, a credit union shall

1 not provide for the indemnification of personnel who are  
2 adjudged guilty of or liable for willful misconduct, gross  
3 neglect of duty or criminal acts."

4 Section 11. Section 58-11-53 NMSA 1978 (being Laws  
5 1987, Chapter 311, Section 53, as amended) is amended to  
6 read:

7 "58-11-53. MONEY-TYPE INSTRUMENTS. --A credit union may  
8 collect, receive and disburse money in connection with the  
9 providing of negotiable checks, money orders, travelers  
10 checks and other money-type instruments for its members and  
11 other persons within the credit union's field of membership  
12 and in connection with the providing of services through  
13 service facilities, including automated terminal machines,  
14 and for such other purposes as may provide benefit or  
15 convenience to its members. A credit union may charge  
16 reasonable fees for those services."

17 Section 12. Section 58-11-56 NMSA 1978 (being Laws  
18 1987, Chapter 311, Section 56, as amended) is amended to  
19 read:

20 "58-11-56. INVESTMENTS. --

21 A. Funds not required to satisfy member demands  
22 for extensions of credit may be invested in:

23 (1) securities, obligations or other  
24 instruments of or issued by or fully guaranteed as to  
25 principal and interest by the United States or any agency of

1 the United States or in any trust investing solely, directly  
2 or indirectly, in the same;

3 (2) securities, obligations or other  
4 instruments of this state or any political subdivision of  
5 this state;

6 (3) deposits or other accounts of state or  
7 federally chartered financial institutions, the accounts of  
8 which are insured by an agency of the United States;

9 (4) loans or extensions of credit to or  
10 shares or deposits of other credit unions, central credit  
11 unions or corporate credit unions, the accounts of which are  
12 insured by the national credit union administration's share  
13 insurance fund;

14 (5) deposits in, loans to or shares of any  
15 federal reserve bank or of any central liquidity facility  
16 established under federal law;

17 (6) shares, stocks, loans or extensions of  
18 credit to or other obligations of any organization,  
19 corporation or association providing services that are  
20 associated with the general purposes of the credit union or  
21 that engage in activities incidental to the operations of a  
22 credit union. Those investments in the aggregate shall not  
23 exceed five percent of the credit union's capital;

24 (7) shares of a cooperative society  
25 organized under the laws of this state or of the laws of the

1 United States in a total amount not exceeding ten percent of  
2 the capital of the credit union, subject to prior approval by  
3 the director;

4 (8) fixed assets, not to exceed six percent  
5 of the credit union's capital and deposits, unless with the  
6 written approval of the director. For the purpose of this  
7 subsection, "fixed assets" means structures, land, computer  
8 hardware and software and heating and cooling equipment that  
9 are affixed to the premises;

10 (9) common trusts or mutual funds whose  
11 investment portfolios consist of mortgages, securities and  
12 obligations and bonds of the federal national mortgage  
13 association, federal home loan mortgage corporation,  
14 government national mortgage association and other  
15 government-sponsored enterprises;

16 (10) other investments, or in amounts in  
17 excess of the thresholds listed in this section, as approved  
18 by the director in written application; and

19 (11) activities that the director determines  
20 are a part of or incidental to the operations of a credit  
21 union notwithstanding any provision to the contrary in the  
22 Credit Union Act.

23 B. Credit unions with minimum undivided earnings  
24 of one million dollars (\$1,000,000) and with capital in  
25 excess of seven and one-half percent after required reserves

1 may also invest funds not required to satisfy member demands  
2 for extensions of credit. The aggregate of a credit union's  
3 investments as provided in this subsection shall not exceed  
4 ten percent of the credit union's undivided earnings. Such  
5 investments may only be in or through:

6 (1) common trusts or mutual funds whose  
7 investment portfolios consist of the bonds or other  
8 obligations of insured financial institutions organized  
9 pursuant to the laws of another state or the United States,  
10 or corporations organized in any state, the District of  
11 Columbia, the commonwealth of Puerto Rico or the territories  
12 organized by congress; provided that the investment  
13 portfolios are representative of a recognized broadly traded  
14 bond index, as defined in the credit union's board-approved  
15 investment policy, and provided that the portfolios shall be  
16 limited to such bonds and other obligations having maturities  
17 of less than fifteen years with an average weighted life not  
18 to exceed seven years and being rated among the three highest  
19 ratings established by one or more national rating services;  
20 and

21 (2) common trusts or mutual funds whose  
22 investment portfolios consist of the stock of corporations  
23 organized in any state, the District of Columbia, the  
24 commonwealth of Puerto Rico or the territories organized by  
25 congress, provided that the investment portfolios of such

1 common trusts or mutual funds are representative of a  
2 recognized broadly traded stock index as defined in the  
3 credit union's board-approved investment policy."

4 Section 13. Section 58-11-60 NMSA 1978 (being Laws  
5 1987, Chapter 311, Section 60) is amended to read:

6 "58-11-60. CONVERSION. --

7 A. A credit union organized under the laws of this  
8 state may be converted to a credit union organized under the  
9 laws of any other state or under the laws of the United  
10 States, subject to regulations issued by the director.

11 B. A credit union organized under the laws of the  
12 United States or of any other state may convert to a credit  
13 union organized under the laws of this state. To effect such  
14 a conversion, a credit union shall comply with all of the  
15 requirements of the jurisdiction under which it was  
16 originally organized, the requirements provided for in the  
17 Credit Union Act and other requirements determined by the  
18 director, and file proof of such compliance with the  
19 director.

20 C. A bank, savings and loan company or other  
21 financial institution that is not a credit union may be  
22 converted to a credit union organized pursuant to the Credit  
23 Union Act. To effect such a conversion, the converting  
24 financial institution shall file proof of compliance with all  
25 of the requirements of the jurisdiction under which it was

